

# **ECONOMIC IMPACT OF MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FISCAL YEAR 2010**



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# **ECONOMIC IMPACT OF MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FISCAL YEAR 2010**

## **EXECUTIVE SUMMARY**

The Maryland Department of Housing and Community Development (DHCD) works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. This mission is supported by three major operating divisions that implement the Department's single-family, multifamily, and neighborhood revitalization programs. Funding for these programs is generated from revenue bonds, federal funds and state funds -- direct financial resources -- as well as monies leveraged from private and federal sources.

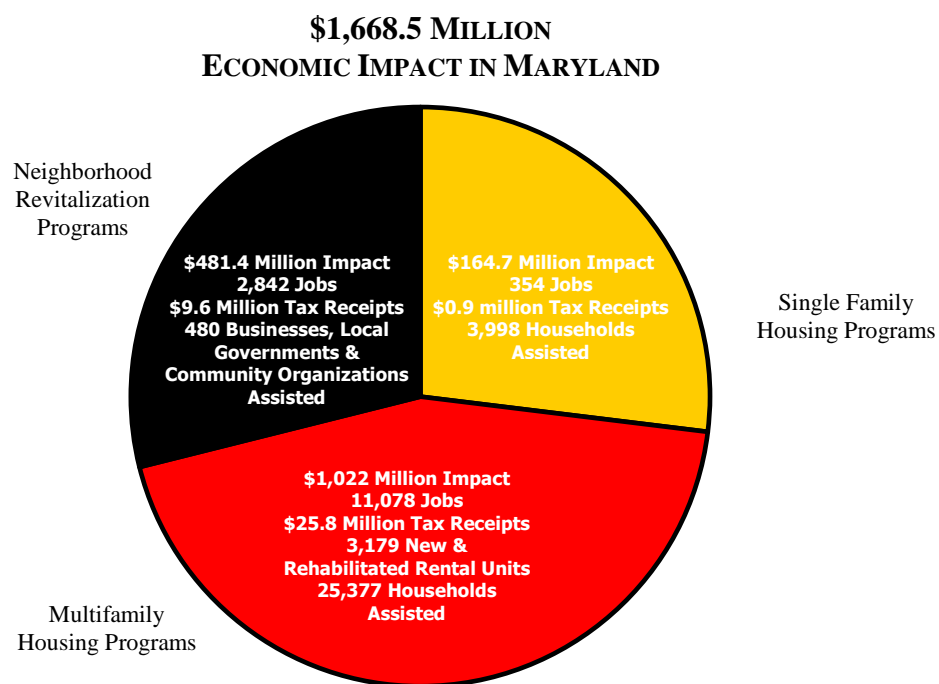
In FY 2010, a total of \$1,145.4 million funded various housing and community development programs in Maryland. The direct financial resources of DHCD were \$548.4 million accounting for 47.9 percent of all resources. Federal funds totaled \$374.3 million or 32.7 percent of the resources, the largest funding source. State funding from general and special funds, tax credits and general obligation bonds amounted to \$47.7 million, representing 4.2 percent of the resources. Bond funds accounted for \$126.4 million or 11.0 percent of the resources. These direct funds leveraged an additional \$597.0 million in private and federal funds, representing the remaining 52.1 percent of all financial resources. Therefore, every dollar of direct DHCD resources generated an additional \$1.09 in leveraged funds. Overall, the DHCD funding of various housing programs assisted 52,496 Maryland families with affordable homeownership, foreclosure prevention counseling, affordable rental housing, and housing rehabilitation needs in FY 2010.

Investment in single family programs was \$143.0 million or 12.5 percent of all DHCD expenditures. These investments assisted 3,998 Maryland families with their homeownership and housing rehabilitation needs. Investment in multifamily programs totaled \$695.5 million or 60.7 percent of total resources. The multifamily programs created 3,179 new and rehabilitated rental housing units and provided rental subsidies to 25,377 low income Maryland families. Investment in neighborhood revitalization programs amounted to \$306.9 million or 26.8 percent of the total. These programs served 248 communities, assisted 232 businesses, and funded 87 projects across Maryland. In addition, a total of 19,942 homeowners facing foreclosures received counseling through the Department's HOPE initiative.

Financial investments by DHCD produce significant economic and fiscal benefits in Maryland. These benefits are derived from additional expenditures in construction and financial services as well as new household spending associated with rental housing subsidies. This study quantifies the direct, secondary (spin-off) and total impacts of DHCD's financial activities on the Maryland economy in fiscal year 2010. Total economic impact is the sum of direct and secondary economic benefits. The economic impact is measured by gross output or expenditures, full-time equivalent jobs, wages and salaries, and revenues from selected state and local tax receipts. These taxes include state retail sales tax, state personal income tax, state real property tax, local personal income surtax and local real property tax. The impact figures are estimated using the Department's Resource Allocation Model (RAM-DHCD).

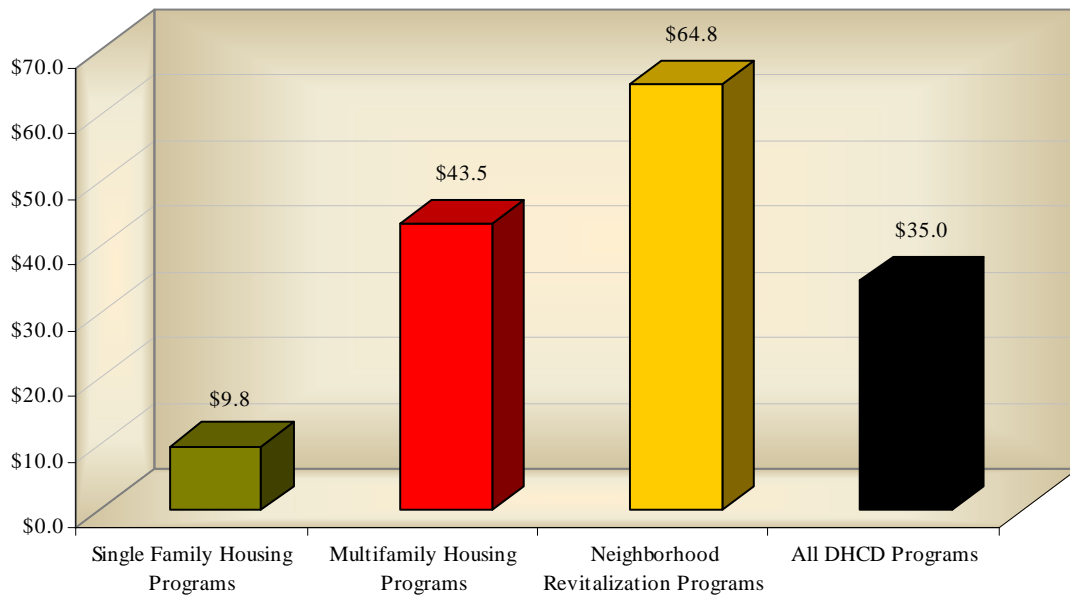
In FY 2010, the financial activities of DHCD generated \$1,668.5 million in total expenditures, \$510.8 million in wages and salaries, about 14,274 full-time equivalent jobs, and an estimated \$36.3 million in selected State and local tax revenues (Exhibits 1-4). Every one million dollars of DHCD State funds generated a total of 299 full-time equivalent jobs across all DHCD programs. Every dollar of DHCD State funds leveraged \$24.0 in direct investment and \$35.0 in total economic impact statewide.

### **EXHIBIT 1: ECONOMIC IMPACT OF DHCD PROGRAMS FISCAL YEAR 2010**



**EXHIBIT 2**  
**RETURN ON STATE INVESTMENT IN DHCD PROGRAMS**  
**FY 2010**

**EVERY DOLLAR OF STATE FUNDS INVESTED IN DHCD PROGRAMS  
GENERATED \$35.0 OF ECONOMIC IMPACT IN MARYLAND**



**EXHIBIT 3**  
**ECONOMIC IMPACT OF DHCD PROGRAMS**  
**FISCAL YEAR 2010**

<b>Indicator</b>	<b>Single Family</b>	<b>Multi Family<sup>3</sup></b>	<b>Neighborhood Revitalization</b>	<b>All Programs</b>
<i><b>Financial Resources</b></i>				
DHCD Resources	\$143.0	\$356.2	\$49.3	\$548.4
State Funds	\$16.8	\$23.5	\$7.4	\$47.7
Federal Funds	\$14.2	\$318.2	\$41.9	\$374.3
Bond Funds	\$111.9	\$14.5	\$0.0	\$126.4
Leveraged Funds	\$0.0	\$339.3	\$257.6	\$597.0
Direct investment (\$millions) <sup>1</sup>	\$143.0	\$695.5	\$306.9	\$1,145.4
Share of All Programs	12.5%	60.7%	26.8%	100.0%
<i><b>Economic Impact</b></i>				
Economic impact statewide (\$millions)	\$164.7	\$1,022.5	\$481.4	\$1,668.5
Wages and Salaries (\$millions)	\$13.7	\$369.7	\$127.4	\$510.8
Number of jobs created <sup>2</sup>	354	11,078	2,842	14,274
State and local taxes generated by DHCD projects (\$millions)	\$0.9	\$25.8	\$9.6	\$36.3
Direct investment leveraged per dollar of State funds	\$8.5	\$29.6	\$41.3	\$24.0
Economic impact per dollar of State funds	\$9.8	\$43.5	\$64.8	\$35.0
<i><b>Outcome Measures</b></i>				
Number of Loans	3,879	26	10	3,915
Number of Grants	165	68	223	456
Affordable Rental Units	0	3,179	0	3,179
Subsidized Units/Households Assisted	3,998	25,377	19,942	49,317
Communities Served	0	77	248	325
Projects Funded	0	337	87	424
Businesses Served	0	0	232	232

*Notes:*

<sup>1</sup>Investment includes federal, local and privately-leveraged funds

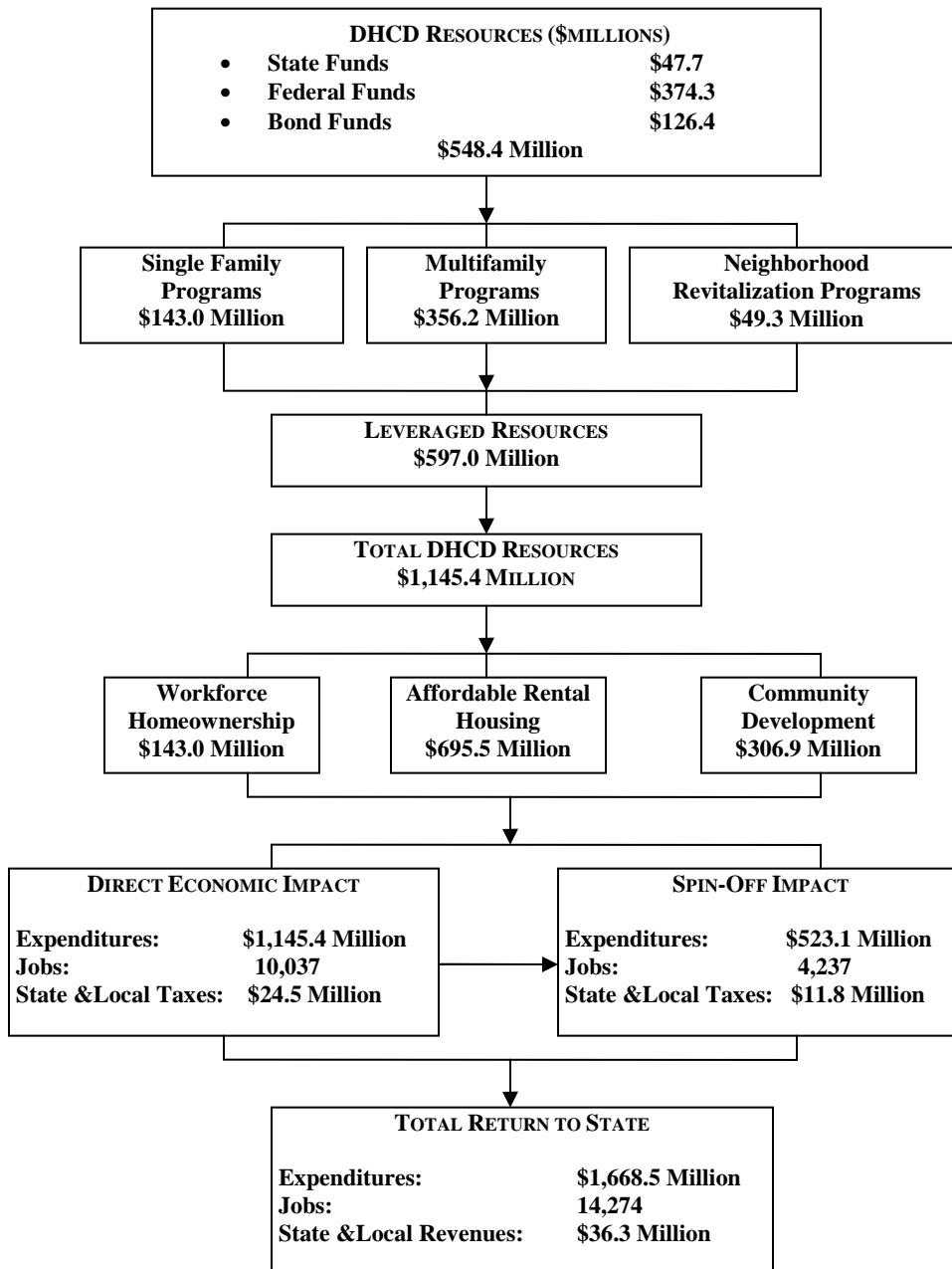
<sup>2</sup>Jobs represent full-time equivalents

<sup>3</sup>Investment includes development costs and rental subsidies

Totals may not add due to rounding

Source: DHCD, Office of Research

# **EXHIBIT 4** **ECONOMIC FLOW OF DHCD PROGRAMS** **FISCAL YEAR 2010**



*Note: Totals may not add up due to rounding*  
*Source: Maryland Department of Housing and Community Development*

# **ECONOMIC IMPACT OF MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FISCAL YEAR 2010**

## **INTRODUCTION**

The Maryland Department of Housing and Community Development (DHCD) is a cabinet-level State agency created in 1987 to strengthen communities and to provide affordable housing for people of limited income. The DHCD works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. This mission is supported by three major operating divisions that implement the Department's single-family, multifamily, and neighborhood revitalization programs. Funding for these programs is generated from revenue bonds, federal funds and state funds -- direct financial resources -- as well as monies leveraged from private and federal sources. This study describes the activities and resources of the DHCD and quantifies the direct and secondary (spin-off) economic and fiscal impacts of the department's financial activities on the Maryland economy in fiscal year (FY) 2010.

In FY 2010, a total of \$1,145.4 million funded various housing and community development programs in Maryland. The direct financial resources of DHCD were \$548.4 million accounting for 47.9 percent of all resources. Federal funds totaled \$374.3 million or 32.7 percent of the resources, the largest funding source. State funding from general and special funds, tax credits and general obligation bonds amounted to \$47.7 million, representing 4.2 percent of the resources. Bond funds accounted for \$126.4 million or 11.0 percent of the resources. These direct funds leveraged an additional \$597.0 million in private and federal funds, representing the remaining 52.1 percent of all financial resources. Therefore, every dollar of direct DHCD resources generated an additional \$1.09 in leveraged funds. Overall, the DHCD funding of various housing programs assisted 52,496 Maryland families with affordable homeownership, foreclosure prevention counseling, affordable rental housing, and housing rehabilitation needs in FY 2010.

Investment in single family programs was \$143.0 million or 12.5 percent of all DHCD expenditures. These investments assisted 3,998 Maryland families with their homeownership and housing rehabilitation needs. Investment in multifamily programs totaled \$695.5 million or 60.7 percent of total resources. The multifamily programs created 3,179 new and rehabilitated rental housing units and provided rental subsidies to 25,377 low income Maryland families. Investment in neighborhood revitalization programs amounted to \$306.9 million or 26.8 percent of the total. These programs served 248 communities, assisted 232 businesses, and funded 87 projects across Maryland. In addition, a total of 19,942 homeowners facing foreclosures received counseling through the Department's HOPE initiative.



**TABLE 1**  
**FINANCIAL ACTIVITIES AND PROGRAM OUTCOMES OF DHCD**  
**FISCAL YEAR 2010**

<b>Category</b>	<b>Single Family</b>	<b>Multi- Family</b>	<b>Neighborhood Revitalization</b>	<b>All Programs</b>
<i><b>Financial Activities (\$Millions)</b></i>				
<i><b>DHCD Resources</b></i>	<i><b>\$143.0</b></i>	<i><b>\$356.2</b></i>	<i><b>\$49.3</b></i>	<i><b>\$548.4</b></i>
State Funds	\$16.8	\$23.5	\$7.4	\$47.7
Federal Funds	\$14.2	\$318.2	\$41.9	\$374.3
Bond Funds	\$111.9	\$14.5	\$0.0	\$126.4
<i><b>Leveraged Funds</b></i>	<i><b>\$0.0</b></i>	<i><b>\$339.3</b></i>	<i><b>\$257.6</b></i>	<i><b>\$597.0</b></i>
<i><b>Total Resources</b></i>	<i><b>\$143.0</b></i>	<i><b>\$695.5</b></i>	<i><b>\$306.9</b></i>	<i><b>\$1,145.4</b></i>
Share of All Programs	12.5%	60.7%	26.8%	100.0%
<i>Direct Investment per \$1 of State Funds</i>	<i>\$8.5</i>	<i>\$29.6</i>	<i>\$41.3</i>	<i>\$24.0</i>
<i><b>Outcome Measures</b></i>				
Number of Loans	3,879	26	10	3,915
Number of Grants	165	68	223	456
Affordable Rental Units	0	3,179	0	3,179
Subsidized Units/Households Assisted	3,998	25,377	19,942	49,317
Communities Served	0	77	248	325
Projects Funded	0	337	87	424
Businesses Served	0	0	232	232

*Note: Totals may not add due to rounding*

*Source: Maryland Department of Housing and Community Development*

Table 2 shows the distribution of DHCD investment across Maryland counties and Baltimore City by expenditures per household. In FY 2010, DHCD investment amounted to about \$544 per household. Investment per household was below \$300 in Baltimore, Calvert, Carroll, Frederick, Prince George's, Queen Anne's, Talbot and Wicomico counties; ranged between \$300 and \$500 in Caroline, Charles, Harford, Montgomery and Worcester counties; between \$500 to \$1,000 in Anne Arundel, Cecil, Howard, St. Mary's and Washington counties as well as Baltimore City. Counties that exceeded \$1,000 were Allegany, Dorchester, Garrett, Kent and Somerset counties.

**TABLE 2**  
**DHCD PROGRAM INVESTMENT**  
**FISCAL YEAR 2010**

<b>Jurisdiction</b>	<b>DHCD Resources (\$millions)</b>	<b>Leveraged Funds (\$millions)</b>	<b>Total Investment</b>	
			<b>Amount (\$millions)</b>	<b>Per Household</b>
Allegany	\$34.5	\$45.6	\$80.0	\$2,828
Anne Arundel	\$45.3	\$80.4	\$125.7	\$671
Baltimore	\$35.2	\$35.0	\$70.1	\$224
Baltimore City	\$127.4	\$63.6	\$191.0	\$756
Calvert	\$2.4	\$0.9	\$3.3	\$108
Caroline	\$3.2	\$0.6	\$3.8	\$308
Carroll	\$5.5	\$7.1	\$12.7	\$215
Cecil	\$12.5	\$22.5	\$34.9	\$961
Charles	\$15.5	\$0.5	\$16.0	\$329
Dorchester	\$14.0	\$25.1	\$39.1	\$2,948
Frederick	\$11.0	\$4.5	\$15.6	\$192
Garrett	\$7.2	\$22.1	\$29.3	\$2,566
Harford	\$18.4	\$17.1	\$35.4	\$404
Howard	\$25.7	\$55.2	\$80.9	\$809
Kent	\$19.6	\$7.4	\$27.0	\$3,351
Montgomery	\$45.3	\$83.8	\$129.1	\$365
Prince George's	\$64.4	\$8.9	\$73.3	\$249
Queen Anne's	\$1.3	\$0.2	\$1.6	\$87
Somerset	\$13.9	\$5.9	\$19.8	\$2,238
St. Mary's	\$5.8	\$21.2	\$27.1	\$748
Talbot	\$2.4	\$1.2	\$3.6	\$235
Washington	\$21.6	\$29.8	\$51.4	\$937
Wicomico	\$8.0	\$1.4	\$9.4	\$262
Worcester	\$4.3	\$3.4	\$7.8	\$372
Multi-Jurisdiction	\$4.1	\$53.4	\$57.5	\$27
<b>Maryland</b>	<b>\$548.4</b>	<b>\$597.0</b>	<b>\$1,145.4</b>	<b>\$544</b>

*Note: Totals may not add due to rounding*

*Source: Maryland Department of Housing and Community Development*

## **ECONOMIC IMPACT METHODOLOGY**

The financial activities of DHCD produce significant economic and fiscal benefits in Maryland. The provision of affordable homeownership involves very complex financial transactions that employ many people in the financial services and real estate brokerage industries. The provision of affordable rental housing requires construction and rehabilitation of rental units, thereby generating substantial demand for construction-related jobs and intermediate products and services, such as construction supplies and architectural, engineering and financial services. In addition, rental housing affordability is achieved through rental subsidies to the poor and the disabled with the consequence of augmenting their consumption expenditures statewide. Finally, the revitalization of Maryland neighborhoods involves the rehabilitation of community infrastructure as well as financial assistance to small businesses that enable them to re-invest in plant and equipment and expand their operations.

The overall economic impact of DHCD is the sum of direct and secondary (indirect and induced) economic benefits. The direct economic benefits represent the DHCD's direct expenditures in housing and community development projects across the state. The businesses supporting DHCD's principal customers/projects, in turn, must increase their own transactions – produce, restock inventories and transport – to meet the demands of the principal activities. These supplier effects are identified as indirect impacts. The increased worker payrolls associated with these direct and indirect economic activities are then largely spent on household consumer items. This forward spending and the resultant increases in economic activity are identified as induced impacts. All indirect and induced economic impacts of the DHCD programs are estimated using the department's Resource Allocation Model (RAM-DHCD), based on the nationally known IMPLAN input-output system of the University of Minnesota IMPLAN Group. The impact figures are represented by additional expenditures, jobs, and selected state and local tax revenues generated from the direct and secondary economic benefits. The selected taxes include state retail sales tax, state personal income tax, state real property tax, local personal income surtax, and local real property taxes.

### ***SINGLE FAMILY PROGRAMS***

The secondary economic impact of single family programs is based on the estimated real estate transactions (closing costs) involved in purchasing or refinancing homes through the Department's homeownership and mortgage refinance programs. In a 2007 survey of the DHCD mortgage loans, the average closing costs for a typical mortgage loan amounted to 6.3 percent of the purchase price. The secondary economic benefits also include additional economic impacts from foreclosure counseling activities as well as construction expenditures related to the Weatherization, Lead Paint Abatement, Indoor Plumbing, Housing Rehabilitation, Group Homes and Federal Home Investment Partnership programs.

## ***MULTIFAMILY PROGRAMS***

The secondary impacts of multifamily programs are estimated using construction expenditures data for multifamily units and additional household expenditures associated with rental housing subsidies which include Rental Allowance Program, Section 8 Project Based Program, and Section 8 Tenant Based Program. Recent studies have shown that Section 8 housing offers residential choice and mobility that improve opportunities for employment. A major problem many welfare recipients face is residing in low income communities that lack easy access to jobs because of a spatial and skills mismatch. These residents have become economically isolated as more firms move to the suburbs and the jobs that remain in the central business districts require high skills. Section 8 housing program enhances recipients' purchasing power, allowing them to find better housing and neighborhoods without any geographic limitation other than affordability.

A study of the first three years of the *Moving to Opportunity* demonstration program in Baltimore City by Center on Budget and Policy Priorities in 2000, titled "*Research Evidence Suggests that Housing Subsidies Can Help Long term Welfare Recipients Find and Retain Jobs*", found that families that were offered housing vouchers to move from public housing in poor neighborhoods to low-poverty communities experienced a 15-percent decline in their rate of welfare receipt, compared with similar families not offered the opportunity to move out of public housing. The impact on the families that actually moved to low-poverty neighborhoods was even greater. Families that moved to low-poverty areas had a welfare receipt rate nearly 25 percent lower than the control group in the first year after moving, increasing to one-third lower by the third year. The study concluded that the reduction in the rate of welfare receipt appeared to be due largely to increases in employment and earnings.

This study assumes that only 70 percent of the funds slated for rental subsidies filter through the state economy by augmenting overall household expenditures. In addition, it was assumed that the rental subsidies influence only 20 percent of the recipients to retain their jobs, while having no discernable impact on the job retention of the remaining 80 percent of recipients.

## ***NEIGHBORHOOD REVITALIZATION PROGRAMS***

The indirect and induced impacts of neighborhood revitalization programs are estimated using capital expenditures corresponding to construction/rehabilitation projects, as well as monies awarded to non-profits for their non-capital (operating) expenditures. The analysis excludes the potential impacts from the expansion of small businesses assisted by these programs. Our impact estimates are, therefore, conservative.

## **SINGLE FAMILY PROGRAMS**

The single family programs focus on helping low to moderate income families or individuals purchase homes by providing below market interest rate mortgages and down payment assistance. The single family division also helps preserve the housing stock through housing rehabilitation and maintenance assistance and secures housing for group living arrangements.

In FY 2010, the single family programs of DHCD funded a total of \$143.0 million in direct investment in communities throughout Maryland (Table 3). Funding for homeownership programs totaled \$116.5 million or 81.5 percent of all single family expenditures. Funding for the special needs programs amounted to \$26.5 million, representing the remaining 18.5 percent of the expenditures. Single Family programs awarded 3,879 loans, 165 grants, and assisted 3,998 families with homeownership as well as rehabilitation and maintenance of homes. The Maryland Mortgage Program along with housing programs for individuals with disabilities helped 727 low-to-moderate income families become homeowners in FY 2010.

Single family investments in Maryland amounted to an average of \$68 per household in FY 2010, ranging from a low of \$7 in Montgomery County to a high of \$169 in Charles County. These investments resulted in 179 direct full-time equivalent jobs, \$7.2 million in direct wages and salaries, and about \$498,000 in selected direct State and local tax receipts (Table 4). The secondary impacts of single family investments, or the economic spin-off, include \$21.7 million in expenditures, 175 jobs, \$6.5 million in wages and salaries, and about \$381,700 in State and local tax revenues. The total economic impact of single family programs -- sum of the direct and secondary impacts -- amounted to \$164.7 million in expenditures, 354 jobs, \$13.7 million in wages and salaries, and about \$879,800 in State and local tax revenues. Every \$1 million of DHCD State funds allocated to single family projects generated a total of 21 full-time equivalent jobs throughout Maryland. The single family's total return on investment amounted to \$9.8 in total economic impact per dollar of the DHCD State funds.

**TABLE 3**  
**SINGLE FAMILY INVESTMENTS**  
**FY 2010**

<b>Jurisdiction</b>	<b>Home Ownership</b>	<b>Special Needs Programs</b>	<b>Total Investment</b>	<b>Investment Per Household</b>	<b>Number of Loans</b>	<b>Number of Grants</b>	<b>Households Assisted</b>
Allegany	\$3,775,526	\$656,956	\$4,432,482	\$157	186	1	151
Anne Arundel	\$2,773,547	\$2,632,430	\$5,405,977	\$29	184	9	219
Baltimore	\$12,872,464	\$3,489,490	\$16,361,954	\$52	470	6	570
Baltimore City	\$32,054,901	\$4,397,161	\$36,452,062	\$144	889	110	948
Calvert	\$1,611,598	\$60,145	\$1,671,743	\$55	39	0	35
Caroline	\$176,948	\$466,839	\$643,787	\$52	52	3	57
Carroll	\$313,564	\$460,864	\$774,428	\$13	74	2	77
Cecil	\$1,063,470	\$252,376	\$1,315,846	\$36	42	6	91
Charles	\$6,776,439	\$1,454,117	\$8,230,556	\$169	116	1	87
Dorchester	\$144,301	\$804,040	\$948,341	\$71	55	0	57
Frederick	\$3,164,841	\$1,167,886	\$4,332,727	\$53	147	5	146
Garrett	\$137,244	\$1,060,886	\$1,198,130	\$105	221	2	221
Harford	\$4,200,538	\$847,245	\$5,047,783	\$58	191	1	172
Howard	\$1,357,027	\$461,134	\$1,818,161	\$18	96	0	91
Kent	\$0	\$417,801	\$417,801	\$52	36	1	42
Montgomery	\$1,714,586	\$607,551	\$2,322,137	\$7	98	2	124
Prince George's	\$37,296,754	\$3,371,057	\$40,667,811	\$138	622	1	512
Queen Anne's	\$68,812	\$317,572	\$386,384	\$22	26	2	36
Somerset	\$494,436	\$574,910	\$1,069,346	\$121	17	0	16
St. Mary's	\$0	\$364,615	\$364,615	\$10	32	2	58
Talbot	\$269,153	\$602,226	\$871,379	\$57	33	0	34
Washington	\$5,094,438	\$1,364,091	\$6,458,529	\$118	171	4	172
Wicomico	\$1,128,489	\$517,877	\$1,646,366	\$46	76	3	76
Worcester	\$0	\$158,293	\$158,293	\$8	6	4	6
Multi-Jurisdiction	\$0	\$0	\$0	\$0	0	0	0
<b>Maryland</b>	<b>\$116,489,076</b>	<b>\$26,507,562</b>	<b>\$142,996,638</b>	<b>\$68</b>	<b>3,879</b>	<b>165</b>	<b>3,998</b>

Source: Maryland Department of Housing and Community Development

**TABLE 4**  
**ECONOMIC IMPACT OF DHCD SINGLE FAMILY PROGRAMS**  
**FY 2010**

Impact Category	Homeownership Programs		Special Needs Housing		All Single Family Programs	
	Direct	Total	Direct	Total	Direct	Total
Expenditures (\$millions)	\$116.5	\$124.76	\$26.5	\$39.91	\$143.0	\$164.7
Wages and Salaries (\$millions)	\$2.2	\$4.7	\$5.0	\$9.0	\$7.2	\$13.7
Employment (FTE Jobs)	67	134	112	220	179	354
<i>State Taxes (\$thousands)</i>	\$98.1	\$198.5	\$220.1	\$381.4	\$318.2	\$579.9
State Retail Sales Tax	\$31.8	\$65.2	\$64.1	\$117.7	\$96.0	\$182.9
State Personal Income Tax	\$62.8	\$129.8	\$156.0	\$263.6	\$218.7	\$393.4
State Real Property Tax Receipts	\$3.5	\$3.5	\$0.0	\$0.0	\$3.5	\$3.5
<i>Local Taxes (\$thousands)</i>	\$79.2	\$125.2	\$100.7	\$174.7	\$179.9	\$300.0
Local Personal Income Surtax	\$40.6	\$86.7	\$100.7	\$174.7	\$141.4	\$261.4
Local Real Property Tax Receipts	\$38.5	\$38.5	\$0.0	\$0.0	\$38.5	\$38.5
<i>State and Local Taxes (\$thousands)</i>	\$177.3	\$323.7	\$320.9	\$556.1	\$498.2	\$879.8
Economic Impact per \$1 of State Funds	\$14.1	\$15.1	\$3.1	\$4.7	\$8.5	\$9.8

*Source: Maryland Department of Housing and Community Development*

## **HOMEOWNERSHIP PROGRAMS**

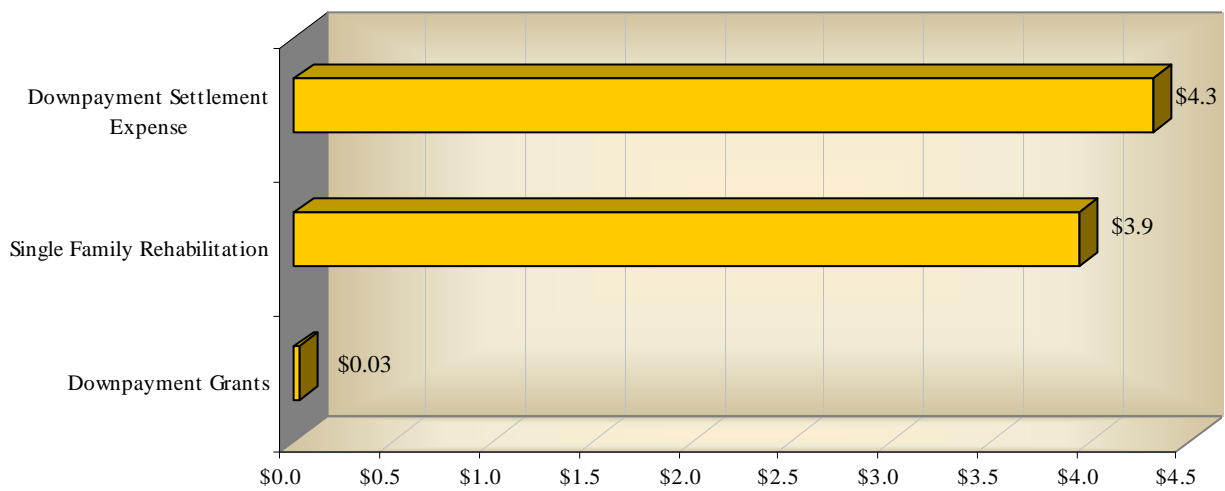
The single family's signature homeownership program, known as *Maryland Mortgage Program* (MMP), targets first-time homebuyers by offering a low-interest 30 year fixed-rate mortgage loan. For nearly 30 years, MMP has provided Maryland families with reliable and flexible mortgage loans. The program is administered by DHCD's Community Development Administration and is funded by private capital raised through DHCD's ability to issue mortgage revenue bonds. Program loans are originated through a network of almost 50 private lending institutions across the State, enabling potential homebuyers to receive MMP funds through their local banks.

In response to rising down payment and closing costs, which are often the greatest barrier to homeownership, MMP also provides an assortment of down payment and closing cost assistance programs. Program borrowers can receive this assistance in the form of zero percent deferred loans through programs like the *Down payment and Settlement Expense Loan Program* (DSELP), the employer matching program *House Keys 4 Employees*, and the *Smart Keys 4 Employees* program. As an alternative to the loan options, MMP also offers down payment and closing cost assistance in the form of premium bond funded grants of up to 3 percent of the loan amount.

The Maryland Mortgage Program along with housing programs for individuals with disabilities helped 727 low-to-moderate income families become homeowners in FY 2010. The DHCD investment in homeownership programs totaled \$116.5 million in FY 2010 (Table 5). The investment included \$108.2 million in mortgage loans, \$4.3 million in DSELP, \$3.9 million in Single Family Rehabilitation Programs and \$26,212 in down payment grants (Chart 1). Table 5 shows the distribution of homeownership-related expenditures in all Maryland jurisdictions that received funding in FY 2010.



**CHART 1**  
**INVESTMENT IN HOMEOWNERSHIP PROGRAMS (\$MILLIONS)**  
**FY 2010**



*Note: Excludes MMP loans and leveraged funds*

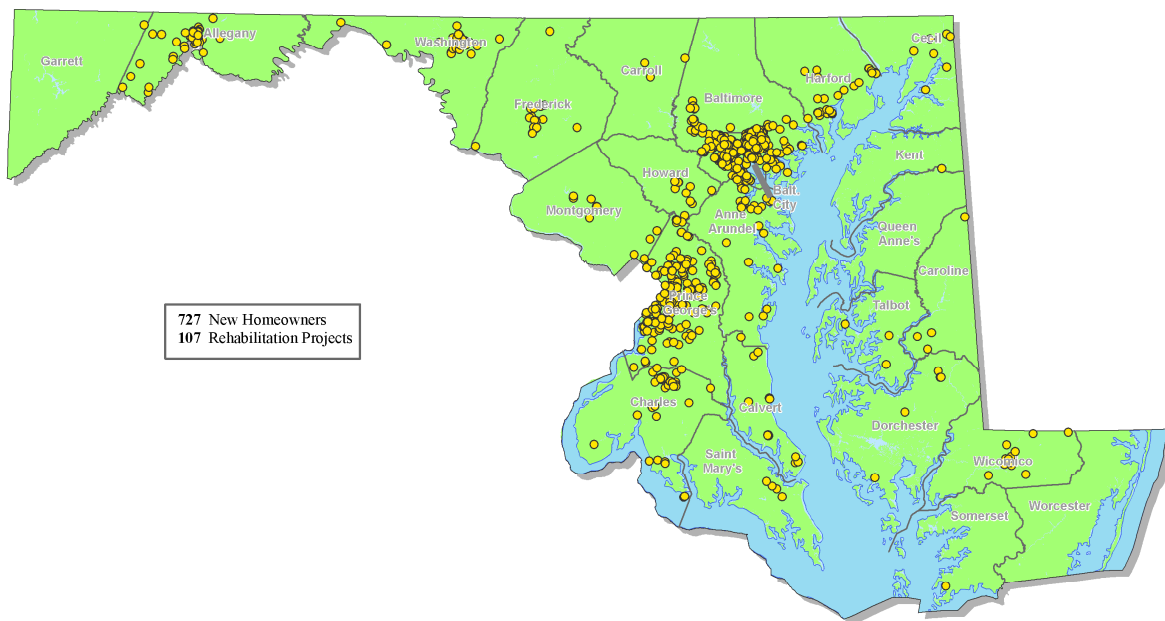
*Source: Maryland Department of Housing and Community Development*

**TABLE 5**  
**SINGLE FAMILY HOMEOWNERSHIP PROGRAMS**  
**FY 2010**

<b>Jurisdiction</b>	<b>Maryland Mortgage Program</b>	<b>Down Payment Settlement Expense Program</b>	<b>Down Payment Grant Program</b>	<b>Single Family Rehab Program</b>	<b>All Programs</b>
Allegany	\$3,594,105	\$140,000	\$0	\$41,421	\$3,775,526
Anne Arundel	\$2,099,129	\$49,000	\$0	\$625,418	\$2,773,547
Baltimore	\$12,184,430	\$297,500	\$6,922	\$383,612	\$12,872,464
Baltimore City	\$29,669,960	\$1,470,147	\$9,376	\$905,418	\$32,054,901
Calvert	\$1,413,000	\$32,000	\$0	\$166,598	\$1,611,598
Caroline	\$0	\$0	\$0	\$176,948	\$176,948
Carroll	\$212,087	\$3,500	\$0	\$97,977	\$313,564
Cecil	\$1,006,427	\$23,200	\$5,888	\$27,955	\$1,063,470
Charles	\$6,296,454	\$183,500	\$4,026	\$292,459	\$6,776,439
Dorchester	\$0	\$0	\$0	\$144,301	\$144,301
Frederick	\$2,910,123	\$97,000	\$0	\$157,718	\$3,164,841
Garrett	\$137,244	\$0	\$0	\$0	\$137,244
Harford	\$4,055,197	\$131,000	\$0	\$14,341	\$4,200,538
Howard	\$1,258,431	\$24,000	\$0	\$74,596	\$1,357,027
Kent	\$0	\$0	\$0	\$0	\$0
Montgomery	\$1,674,086	\$40,500	\$0	\$0	\$1,714,586
Prince George's	\$35,599,310	\$1,486,000	\$0	\$211,444	\$37,296,754
Queen Anne's	\$68,812	\$0	\$0	\$0	\$68,812
Somerset	\$408,892	\$32,000	\$0	\$53,544	\$494,436
St. Mary's	\$0	\$0	\$0	\$0	\$0
Talbot	\$0	\$0	\$0	\$269,153	\$269,153
Washington	\$4,684,338	\$261,500	\$0	\$148,600	\$5,094,438
Wicomico	\$928,103	\$47,000	\$0	\$153,386	\$1,128,489
Worcester	\$0	\$0	\$0	\$0	\$0
Multi-Jurisdiction	\$0	\$0	\$0	\$0	\$0
<b>Maryland</b>	<b>\$108,200,128</b>	<b>\$4,317,847</b>	<b>\$26,212</b>	<b>\$3,944,889</b>	<b>\$116,489,076</b>

*Source: Maryland Department of Housing and Community Development*

Map 1  
Single Family Homeownership Programs  
Number of Loans  
FY 2010



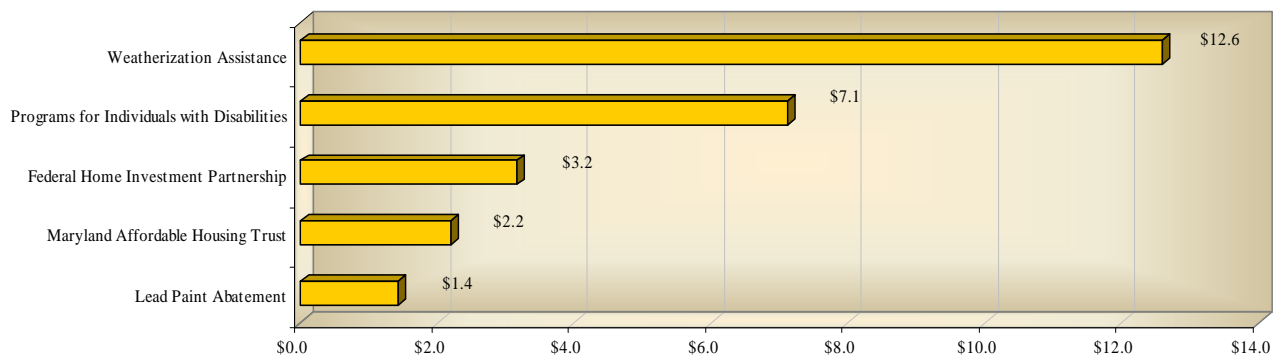
Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor  
Raymond A. Skinner, Secretary  
Clarence J. Snuggs, Deputy Secretary

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## **SPECIAL NEEDS HOUSING PROGRAMS**

In FY 2010, DHCD invested a total of \$26.5 million in special needs housing programs. The investments included \$12.6 million in Weatherization Assistance programs, \$7.1 million in housing programs for individuals with disabilities, \$3.2 million in *Federal Home Investment Partnership Program*, \$2.2 million in *Maryland Affordable Housing Trust* and \$1.4 million in *Lead Paint Abatement Program* (Chart 2). Table 6 and Figure 2 show the distribution of rehabilitation expenditures by type of programs in all Maryland jurisdictions that received funding in FY 2010.

**CHART 2**  
**INVESTMENT IN SPECIAL NEEDS HOUSING PROGRAMS (\$MILLIONS)**  
**FY 2010**



**TABLE 6**  
**SINGLE FAMILY SPECIAL NEEDS HOUSING PROGRAMS**  
**FY 2010**

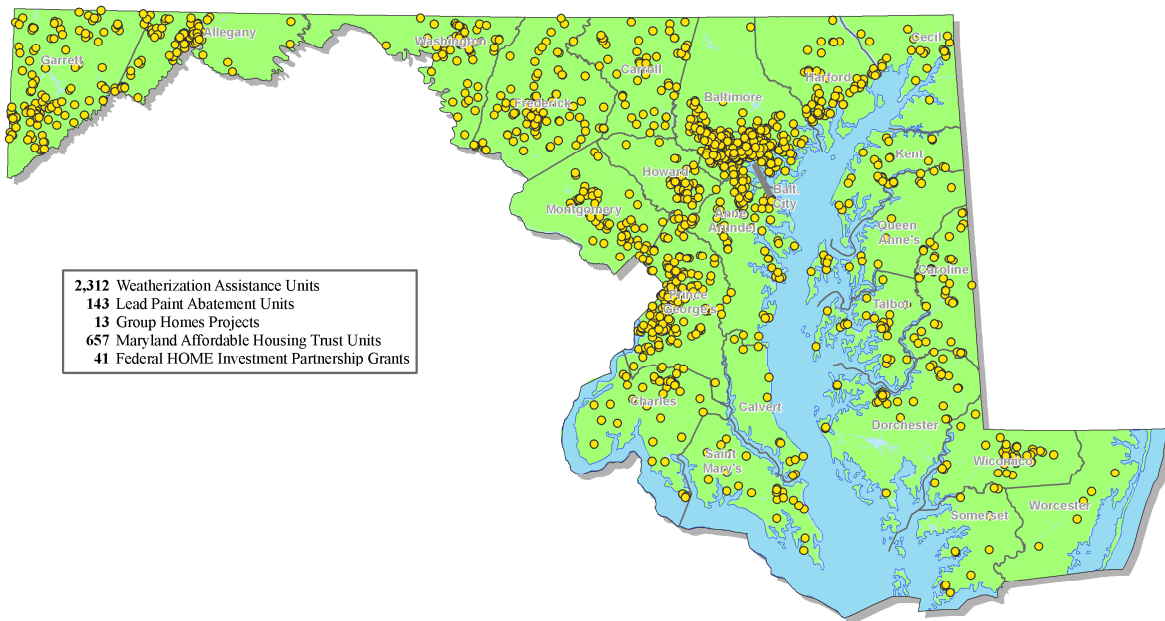
<b>Jurisdiction</b>	<b>Weatherization Assistance Programs*</b>	<b>Housing Programs for Individuals with Disabilities</b>	<b>Federal Home Investment Partnership Program</b>	<b>Maryland Affordable Housing Trust</b>	<b>Lead Paint Abatement Program</b>	<b>All Programs</b>
Allegany	\$626,253	\$0	\$16,743	\$0	\$13,960	\$656,956
Anne Arundel	\$847,276	\$1,399,409	\$0	\$299,045	\$86,700	\$2,632,430
Baltimore	\$1,777,359	\$1,595,739	\$18,257	\$66,000	\$32,135	\$3,489,490
Baltimore City	\$2,281,095	\$391,365	\$0	\$820,200	\$904,501	\$4,397,161
Calvert	\$60,145	\$0	\$0	\$0	\$0	\$60,145
Caroline	\$280,041	\$0	\$126,798	\$30,000	\$30,000	\$466,839
Carroll	\$302,910	\$0	\$108,187	\$10,415	\$39,352	\$460,864
Cecil	\$198,537	\$0	\$0	\$27,175	\$26,664	\$252,376
Charles	\$213,689	\$533,444	\$706,984	\$0	\$0	\$1,454,117
Dorchester	\$303,811	\$0	\$470,256	\$0	\$29,973	\$804,040
Frederick	\$430,790	\$144,147	\$402,939	\$166,700	\$23,310	\$1,167,886
Garrett	\$1,060,886	\$0	\$0	\$0	\$0	\$1,060,886
Harford	\$772,245	\$0	\$0	\$75,000	\$0	\$847,245
Howard	\$331,534	\$129,600	\$0	\$0	\$0	\$461,134
Kent	\$167,641	\$0	\$236,660	\$13,500	\$0	\$417,801
Montgomery	\$357,551	\$0	\$0	\$250,000	\$0	\$607,551
Prince George's	\$1,303,143	\$1,922,149	\$68,966	\$40,000	\$36,799	\$3,371,057
Queen Anne's	\$171,622	\$0	\$0	\$145,950	\$0	\$317,572
Somerset	\$63,651	\$0	\$496,259	\$0	\$15,000	\$574,910
St. Mary's	\$124,525	\$130,090	\$60,000	\$50,000	\$0	\$364,615
Talbot	\$171,382	\$292,899	\$130,370	\$0	\$7,575	\$602,226
Washington	\$387,703	\$581,248	\$129,140	\$176,000	\$90,000	\$1,364,091
Wicomico	\$331,700	\$0	\$70,545	\$30,000	\$85,632	\$517,877
Worcester	\$35,669	\$0	\$122,624	\$0	\$0	\$158,293
Multi-Jurisdiction	\$0	\$0	\$0	\$0	\$0	\$0
<b>Maryland</b>	<b>\$12,601,158</b>	<b>\$7,120,090</b>	<b>\$3,164,728</b>	<b>\$2,199,985</b>	<b>\$1,421,601</b>	<b>\$26,507,562</b>

Source: Maryland Department of Housing and Community Development

\*Total Weatherization Funds excludes administrative costs for FY10

## Map 2

### Single Family Special Needs Programs Distribution of Loan & Grant Awards FY 2010



Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor  
Raymond A. Skinner, Secretary  
Clarence J. Snuggs, Deputy Secretary

pub. date: 12/01/2010

## **MULTIFAMILY PROGRAMS**

The DHCD's multifamily programs provide financing for the construction and rehabilitation of multifamily rental housing units for low income families, seniors and individuals with disabilities. The multifamily bond program issues tax-exempt and taxable mortgage revenue bonds to finance the acquisition, rehabilitation or construction of affordable multifamily rental housing in priority funding areas. Tax-exempt and taxable bonds and notes provide below-market and market rate construction and permanent financing. Taxable bonds provide market rate construction and permanent financing to leverage federal Low-Income Housing Tax Credits, and to finance projects and activities which are ineligible for tax-exempt bonds.

In addition to financing and rehabilitation, the multifamily programs provide support to low income families with monthly rent assistance through the Rental Assistance Program and the Section 8 Housing Choice Voucher program. The multifamily division also administers project-based Section 8 contracts in Maryland. The administration of these contracts include review and inspection of records on the project site to ensure compliance with tenant income restrictions and other HUD record keeping requirements, review and approval of monthly payments to landlords, renewal or termination of expiring contracts, and rent adjustments.

In FY 2010, the multifamily programs of DHCD funded a total of \$695.5 million in direct investment in communities throughout Maryland (Table 7). Multifamily investments in Maryland amounted to an average of \$330 per household, ranging from a low of \$12 in Queen Anne's County to a high of \$3,224 in Kent County.

Funding for rental housing production and rehabilitation programs totaled \$509.1 million or 73.2 percent of the multifamily funding for all programs. The latter included \$169.8 million in direct DHCD funding as well as \$339.3 million in leveraged funds. Funding for rental services programs amounted to \$186.4 million, representing the remaining 26.8 percent of total expenditures. In FY 2010, the multifamily programs provided a total of 3,179 affordable housing units and subsidized 25,377 rental units (Map 3).

**TABLE 7**  
**MULTIFAMILY PROGRAM OUTCOMES BY COUNTY**  
**FY 2010**

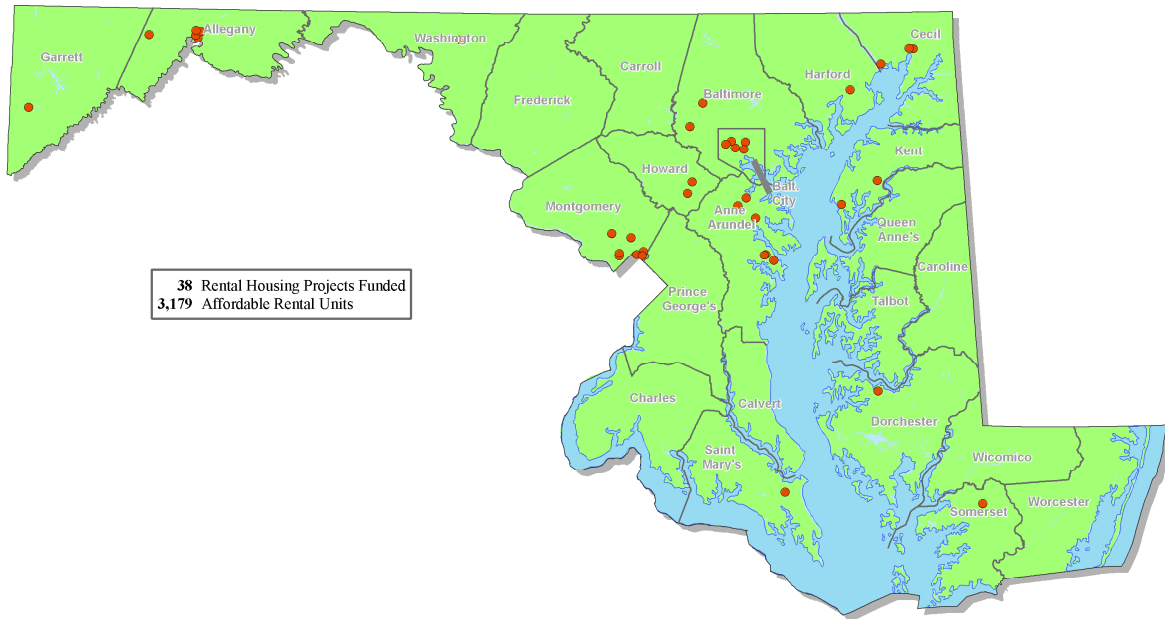
<b>Jurisdiction</b>	<b>Rental Housing Production &amp; Rehab</b>			<b>Rental Services</b>	<b>Total Funds</b>	<b>Investment per Household</b>	<b>Affordable Units</b>	<b>Subsidized Rental Units</b>
	<b>Direct</b>	<b>Leveraged</b>	<b>Total</b>					
Allegany	\$23,184,837	\$20,936,927	\$44,121,764	\$4,139,330	\$48,261,094	\$1,705	303	1,013
Anne Arundel	\$28,671,511	\$71,813,686	\$100,485,197	\$9,835,946	\$110,321,143	\$589	733	1,114
Baltimore	\$4,771,407	\$27,048,562	\$31,819,969	\$12,364,806	\$44,184,775	\$141	191	7,195
Baltimore City	\$32,924,255	\$34,965,856	\$67,890,111	\$47,790,848	\$115,680,959	\$458	365	1,957
Calvert	\$0	\$0	\$0	\$473,836	\$473,836	\$16	0	84
Caroline	\$0	\$0	\$0	\$1,432,082	\$1,432,082	\$116	0	388
Carroll	\$0	\$0	\$0	\$2,428,522	\$2,428,522	\$41	0	398
Cecil	\$9,031,290	\$21,927,118	\$30,958,408	\$1,434,599	\$32,393,007	\$891	248	183
Charles	\$0	\$0	\$0	\$6,591,301	\$6,591,301	\$135	0	710
Dorchester	\$4,193,898	\$8,148,313	\$12,342,211	\$5,389,753	\$17,731,964	\$1,336	70	734
Frederick	\$0	\$0	\$0	\$5,608,589	\$5,608,589	\$69	0	894
Garrett	\$3,179,483	\$7,400,660	\$10,580,143	\$1,093,184	\$11,673,327	\$1,021	36	252
Harford	\$4,293,083	\$10,241,526	\$14,534,609	\$7,842,955	\$22,377,564	\$255	80	1,235
Howard	\$14,536,564	\$49,243,088	\$63,779,652	\$8,126,123	\$71,905,775	\$719	429	1,118
Kent	\$17,026,396	\$6,925,367	\$23,951,763	\$2,024,409	\$25,976,172	\$3,224	144	203
Montgomery	\$7,727,024	\$55,971,210	\$63,698,234	\$31,630,372	\$95,328,606	\$269	385	3,056
Prince George's	\$0	\$0	\$0	\$20,379,933	\$20,379,933	\$69	0	2,594
Queen Anne's	\$0	\$0	\$0	\$217,809	\$217,809	\$12	0	71
Somerset	\$9,999,057	\$583,855	\$10,582,912	\$1,573,703	\$12,156,615	\$1,376	60	244
St. Mary's	\$2,800,000	\$10,235,603	\$13,035,603	\$1,538,191	\$14,573,794	\$403	75	215
Talbot	\$0	\$0	\$0	\$587,056	\$587,056	\$38	0	138
Washington	\$7,482,500	\$13,838,084	\$21,320,584	\$5,949,412	\$27,269,996	\$497	60	486
Wicomico	\$0	\$0	\$0	\$5,263,016	\$5,263,016	\$147	0	871
Worcester	\$0	\$0	\$0	\$2,650,742	\$2,650,742	\$127	0	224
<b>Maryland</b>	<b>\$169,821,305</b>	<b>\$339,279,855</b>	<b>\$509,101,160</b>	<b>\$186,366,517</b>	<b>\$695,467,677</b>	<b>\$330</b>	<b>3,179</b>	<b>25,377</b>

Source: Maryland Department of Housing and Community Development



### Map 3

## Multifamily Rental Housing Production & Rehabilitation Programs Projects Funded FY 2010



Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor  
Raymond A. Skinner, Secretary  
Clarence J. Snuggs, Deputy Secretary

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In FY 2010, the multifamily programs of DHCD generated a total of \$695.5 million in direct investment in communities throughout Maryland (Table 8). These investments resulted in 8,362 direct full-time equivalent jobs, about \$220.2 million in direct wages and salaries, and about \$17.7 million in selected direct State and local tax receipts. The secondary impacts of multifamily investments, or the economic spin-off, include \$327.0 million in expenditures, 2,716 jobs, about \$149.4 million in wages and salaries, and about \$8.1 million in State and local tax revenues. The total economic impact of multifamily programs in FY 2010 -- sum of the direct and secondary impacts -- amounted to \$1,022.5 million in expenditures, 11,078 jobs, about \$369.7 million in wages and salaries, and \$25.8 million in State and local tax revenues. Every \$1 million of DHCD State funds allocated to multifamily projects generated a total of 472 full-time equivalent jobs throughout Maryland. The multifamily program's total return on investment amounted to \$43.5 in total economic impact per dollar of the DHCD State funds.

**TABLE 8**  
**ECONOMIC IMPACT OF DHCD RENTAL HOUSING AND RENTAL ASSISTANCE PROGRAMS**  
**FY 2010**

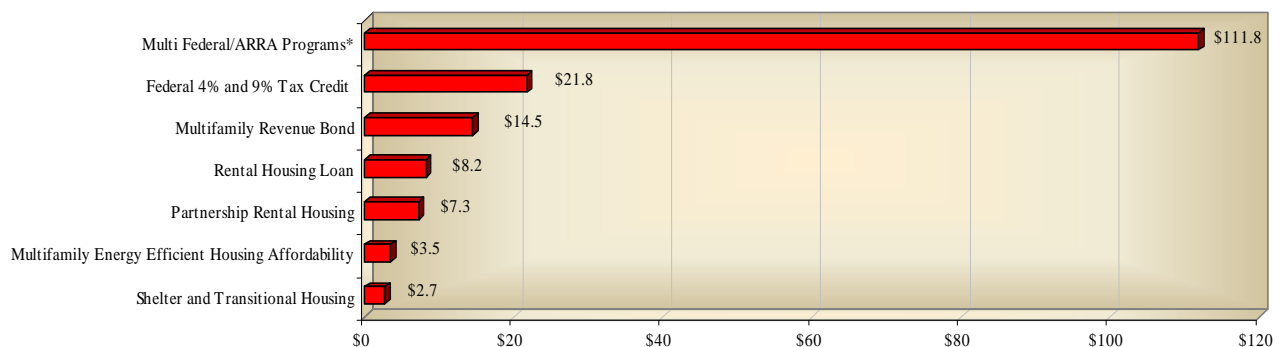
Impact Category	Rental Housing		Rental Assistance		All Rental Programs	
	Direct	Total	Direct	Total	Direct	Total
Expenditures (\$millions)	\$509.1	\$777.70	\$186.4	\$244.79	\$695.5	\$1,022.5
Wages and Salaries (\$millions)	\$114.9	\$198.6	\$105.3	\$171.0	\$220.2	\$369.7
Employment (FTE Jobs)	2,507	4,768	5,856	6,310	8,362	11,078
<i>State Taxes (\$thousands)</i>	\$5,339.1	\$8,726.5	\$4,147.6	\$5,877.9	\$9,486.7	\$14,604.4
State Retail Sales Tax	\$1,435.3	\$2,561.5	\$2,037.9	\$2,648.0	\$3,473.2	\$5,209.5
State Personal Income Tax	\$3,483.0	\$5,744.3	\$2,109.4	\$3,229.5	\$5,592.4	\$8,973.8
State Real Property Tax Receipts	\$420.8	\$420.8	\$0.3	\$0.3	\$421.1	\$421.1
<i>Local Taxes (\$thousands)</i>	\$6,848.2	\$8,402.6	\$1,385.8	\$2,806.5	\$8,234.0	\$11,209.1
Local Personal Income Surtax	\$2,249.5	\$3,803.9	\$1,382.2	\$2,802.9	\$3,631.7	\$6,606.8
Local Real Property Tax Receipts	\$4,598.7	\$4,598.7	\$3.6	\$3.6	\$4,602.3	\$4,602.3
<i>State and Local Taxes (\$thousands)</i>	\$12,187.3	\$17,129.1	\$5,533.5	\$8,684.4	\$17,720.7	\$25,813.5
Economic Impact per \$1 of State Funds	\$23.4	\$35.8	\$106.8	\$140.2	\$29.6	\$43.5

Source: Maryland Department of Housing and Community Development

## **RENTAL HOUSING PRODUCTION AND REHABILITATION PROGRAMS**

The DHCD expenditures in financing new multifamily construction and rehabilitation programs totaled \$169.8 million in FY 2010. As shown in Chart 3 and Table 9, these programs were funded through the American Recovery and Reinvestment Act of 2009 using Section 1602 Tax Credit Exchange program (\$71.1 million or 41.9 percent of the total) and the Tax Credit Assistance program (\$31.7 million or 18.7 percent of the total). Other programs were funded through *Federal Low Income Housing Tax Credits* including \$20.9 million for the 9 percent program (12.3 percent of total) and \$840,696 for the 4 percent program (0.5 percent of the total), *Revenue Bond Loans* (\$14.5 million or 8.5 percent of the total), rental housing loan programs (\$8.2 million or 4.9 percent of the total), *Partnership Rental Housing Program* (\$7.3 million or 4.3 percent of the total), *Federal HOME Investment Partnership Program* (\$5.5 million or 3.2 percent of the total), *Federal Neighborhood Stabilization program* (\$3.5 million or 2.1 percent), *Multifamily Energy Efficiency Housing Affordability* program (\$3.4 million or 2.1 percent) and the *Shelter and Transitional Housing Program* (\$2.7 million or 1.6 percent of the total). The DHCD direct expenditures leveraged an additional \$339.3 million in leveraged funds. Thus, total DHCD investment in housing and rehabilitation programs amounted to \$509.1 million in FY 2010. The multifamily programs financed the construction and rehabilitation of 3,179 affordable rental housing units including transitional or homeless units. Table 9 summarizes total DHCD investment, including leveraged funds by program, in all Maryland jurisdictions that received funding in FY 2010.

**CHART 3**  
**DIRECT FUNDING OF RENTAL HOUSING PRODUCTION**  
**AND REHABILITATION PROGRAMS (\$MILLIONS)**  
**FY 2010**



**TABLE 9**  
**RENTAL PRODUCTION AND REHABILITATION PROGRAMS**  
**FY 2010**

<b>Jurisdiction</b>	<b>Multi Federal/ARRA Program*</b>	<b>Federal Low Income Housing 4% and 9% Tax Credit</b>	<b>Multifamily Revenue Bond Program</b>	<b>Rental Housing Loan Program</b>	<b>Partnership Rental Housing Loan Program</b>	<b>Multifamily Energy Efficiency Housing Program</b>	<b>Shelter and Transitional Housing Program</b>	<b>Leveraged Funds</b>	<b>Total Investment</b>
Allegany	\$18,385,089	\$1,693,313	\$0	\$500,000	\$2,125,000	\$481,435	\$0	\$20,936,927	\$44,121,764
Anne Arundel	\$21,104,605	\$3,865,648	\$0	\$1,747,245	\$0	\$739,865	\$1,214,148	\$71,813,686	\$100,485,197
Baltimore	\$2,000,000	\$2,508,907	\$0	\$0	\$0	\$262,500	\$0	\$27,048,562	\$31,819,969
Baltimore City	\$27,413,712	\$2,795,424	\$0	\$2,498,682	\$0	\$216,437	\$0	\$34,965,856	\$67,890,111
Cecil	\$5,000,000	\$1,911,290	\$0	\$1,500,000	\$0	\$620,000	\$0	\$21,927,118	\$30,958,408
Dorchester	\$3,000,000	\$1,193,898	\$0	\$0	\$0	\$0	\$0	\$8,148,313	\$12,342,211
Garrett	\$2,086,990	\$842,493	\$0	\$250,000	\$0	\$0	\$0	\$7,400,660	\$10,580,143
Harford	\$3,000,000	\$1,093,083	\$0	\$0	\$0	\$200,000	\$0	\$10,241,526	\$14,534,609
Howard	\$900,000	\$1,897,249	\$7,605,000	\$0	\$3,625,000	\$509,315	\$0	\$49,243,088	\$63,779,652
Kent	\$16,763,896	\$0	\$0	\$0	\$0	\$262,500	\$0	\$6,925,367	\$23,951,763
Montgomery	\$2,175,255	\$2,219,269	\$0	\$250,000	\$1,530,000	\$52,500	\$1,500,000	\$55,971,210	\$63,698,234
Somerset	\$9,999,057	\$0	\$0	\$0	\$0	\$0	\$0	\$583,855	\$10,582,912
St. Mary's	\$0	\$1,300,000	\$0	\$1,500,000	\$0	\$0	\$0	\$10,235,603	\$13,035,603
Washington	\$0	\$432,500	\$6,900,000	\$0	\$0	\$150,000	\$0	\$13,838,084	\$21,320,584
<b>Maryland</b>	<b>\$111,828,604</b>	<b>\$21,753,074</b>	<b>\$14,505,000</b>	<b>\$8,245,927</b>	<b>\$7,280,000</b>	<b>\$3,494,552</b>	<b>\$2,714,148</b>	<b>\$339,279,855</b>	<b>\$509,101,160</b>

\* Multi Federal/ARRA Programs include:

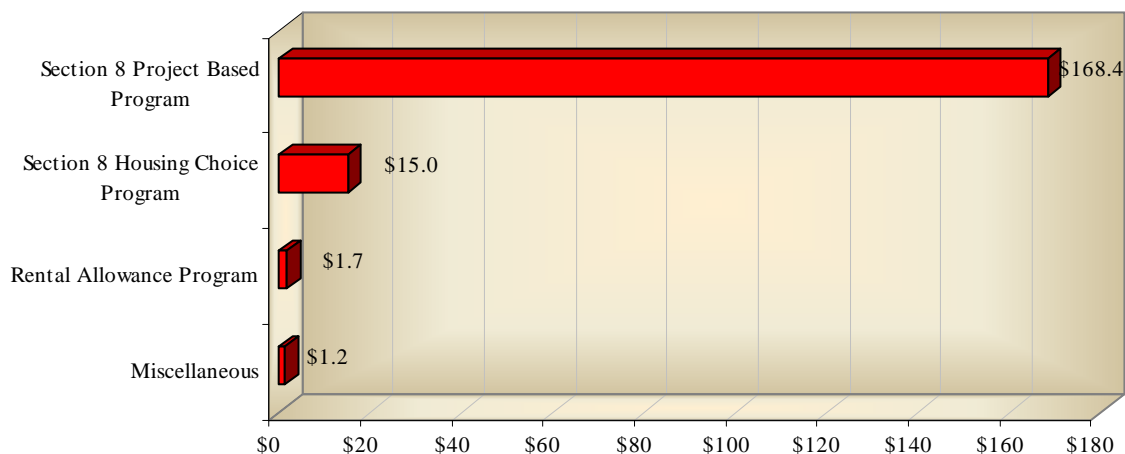
- Section 1602 Tax Exchange = \$71.1 m
- Tax Credit Assistance = \$31.7 m
- Federal Home Investment Partnership = \$5.5 m
- Federal Neighborhood Stabilization = \$3.5 m

Source: Maryland Department of Housing and Community Development

## RENTAL ASSISTANCE PROGRAMS

The DHCD rental assistance programs for FY 2010 totaled \$186.4 million. As shown in Chart 4 and Table 10, expenditures related to *Section 8 Performance Based Rental Contract Administration Housing Program* accounted for 90.4 percent of total spending or \$168.4 million. Funding for *Section 8 Housing Choice Voucher Program* amounted to \$15.0 million or 8.1 percent of total spending. The *Rental Allowance Program* funding was \$1.7 million or 0.9 percent of the total. Other rental assistance programs account for the remaining 0.7 percent of total funding. These programs include *Bridge Subsidy* (\$653,706); *Section 8 Moderate Rehabilitation* (\$295,759); *Housing Opportunities for Persons with AIDS* (\$231,071); and miscellaneous rental services (\$45,730) for the *Elderly Rental Housing* program. Table 10 shows the distribution of DHCD expenditures in all Maryland jurisdictions that received funding in FY 2010.

**CHART 4**  
**DIRECT FUNDING OF RENTAL ASSISTANCE PROGRAMS (\$MILLIONS)**  
**FY 2010**



**Table 10**  
**Rental Assistance Programs**  
**FY 2010**

<b>Jurisdiction</b>	<b>Section 8 Project Based Contract Administration</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Rental Allowance Program</b>	<b>Bridge Subsidy Program</b>	<b>Section 8 Moderate Rehabilitation Program</b>	<b>Housing Opportunities for Persons with AIDS Program</b>	<b>Miscellaneous*</b>	<b>All Resources</b>
Allegany	\$1,738,304	\$2,340,971	\$40,000	\$0	\$12,644	\$7,411	\$0	\$4,139,330
Anne Arundel	\$9,464,391	\$263,111	\$60,444	\$48,000	\$0	\$0	\$0	\$9,835,946
Baltimore	\$12,237,980	\$0	\$126,826	\$0	\$0	\$0	\$0	\$12,364,806
Baltimore City	\$47,412,770	\$0	\$328,558	\$0	\$3,790	\$0	\$45,730	\$47,790,848
Calvert	\$433,836	\$0	\$40,000	\$0	\$0	\$0	\$0	\$473,836
Caroline	\$516,968	\$851,954	\$40,000	\$16,488	\$0	\$6,672	\$0	\$1,432,082
Carroll	\$2,252,300	\$0	\$40,000	\$136,222	\$0	\$0	\$0	\$2,428,522
Cecil	\$1,394,599	\$0	\$40,000	\$0	\$0	\$0	\$0	\$1,434,599
Charles	\$6,551,301	\$0	\$40,000	\$0	\$0	\$0	\$0	\$6,591,301
Dorchester	\$3,302,171	\$1,991,794	\$40,000	\$0	\$0	\$55,788	\$0	\$5,389,753
Frederick	\$556,465	\$4,660,657	\$40,000	\$233,374	\$118,093	\$0	\$0	\$5,608,589
Garrett	\$328,277	\$560,984	\$40,000	\$0	\$161,232	\$2,691	\$0	\$1,093,184
Harford	\$7,780,745	\$0	\$40,000	\$22,210,00	\$0	\$0	\$0	\$7,842,955
Howard	\$8,084,656	\$0	\$41,467	\$0	\$0	\$0	\$0	\$8,126,123
Kent	\$1,724,690	\$251,381	\$40,000	\$0	\$0	\$8,338	\$0	\$2,024,409
Montgomery	\$31,453,900	\$0	\$176,472	\$0	\$0	\$0	\$0	\$31,630,372
Prince George's	\$20,133,700	\$0	\$246,233	\$0	\$0	\$0	\$0	\$20,379,933
Queen Anne's	\$177,809	\$0	\$40,000	\$0	\$0	\$0	\$0	\$217,809
Somerset	\$580,184	\$949,406	\$40,000	\$0	\$0	\$4,113	\$0	\$1,573,703
St. Mary's	\$1,447,421	\$0	\$40,000	\$0	\$0	\$50,770	\$0	\$1,538,191
Talbot	\$81,995	\$457,911	\$40,000	\$0	\$0	\$7,150	\$0	\$587,056
Washington	\$5,872,556	\$0	\$40,000	\$0	\$0	\$36,856	\$0	\$5,949,412
Wicomico	\$3,594,737	\$1,385,441	\$40,000	\$197,412	\$0	\$45,426	\$0	\$5,263,016
Worcester	\$1,282,158	\$1,322,728	\$40,000	\$0	\$0	\$5,856	\$0	\$2,650,742
<b>Maryland</b>	<b>\$168,403,913</b>	<b>\$15,036,338</b>	<b>\$1,700,000</b>	<b>\$653,706</b>	<b>\$295,759</b>	<b>\$231,071</b>	<b>\$45,730</b>	<b>\$186,366,517</b>

*\*Rental Assistance Program for the elderly*

*Source: Maryland Department of Housing and Community Development*

## NEIGHBORHOOD REVITALIZATION PROGRAMS

The neighborhood revitalization programs support activities that protect and improve neighborhood resources, maintain and enhance existing residential and commercial structures, and provide adequate public facilities, infrastructure, and services. One of the key programs, *Community Legacy*, assists urban neighborhoods, suburban communities and small towns that are experiencing decline and disinvestment. The *Community Legacy* provides funding to help these communities develop comprehensive revitalization plans and implement projects targeted at reducing sprawl and enhancing community life for business and residents. The *Community Legacy* projects promote housing rehabilitation, entrepreneurship and business development in areas with established infrastructure. Another important program, *Neighborhood Business Works* (NBW), provides gap financing to small businesses for projects which spur development, jobs and economic growth. The flexible gap financing is in the form of below-market interest rate loans to small businesses, and loans and grants to nonprofit organizations locating or expanding in locally designated neighborhood revitalization areas. Another key program under neighborhood revitalization is the Home Owners Preserving Equity (HOPE) initiative which provides responsive solutions for homeowners facing foreclosure. In FY 2010 the foreclosure prevention program provided counseling services to 19,942 homeowners statewide of whom 26.0 percent received positive outcomes including loan refinances and modifications.

In FY 2010, the Neighborhood Revitalization programs of DHCD funded a total of \$49.3 million in direct investment in communities throughout Maryland (Table 11). These investments leveraged an additional \$257.6 million in private funds. As a result, the overall community development investments in Maryland for FY 2010 amounted to \$306.9 million. The Neighborhood Revitalization programs served 248 communities, funded 87 projects and assisted 232 businesses throughout Maryland (Map 4). Neighborhood Revitalization investments in Maryland amounted to an average of \$146 per household, ranging from a low of \$25 in Charles County to a high of \$1,541 in Dorchester County.

The Neighborhood Revitalization investments in Maryland resulted in 1,496 direct full-time equivalent jobs, about \$74.9 million in direct wages and salaries, and about \$6.2 million in selected direct State and local tax receipts (Table 12). The secondary impacts from those investments, or the economic spin-off, include \$174.4 million in expenditures, 1,346 jobs, \$52.6 million in payroll, and \$3.4 million in State and local tax revenues. The total economic impact of Neighborhood Revitalization programs in FY 2010 -- sum of the direct and secondary impacts -- amounted to \$481.4 million in expenditures, 2,842 jobs, \$127.4 million in payroll, and \$9.6 million in State and local tax revenues. Every \$1 million of DHCD State funds allocated to Neighborhood Revitalization projects generated a total of 383 full-time equivalent jobs throughout Maryland. The Neighborhood Revitalization program's total return on investment, or the sum of the direct investment and all associated secondary expenditures per dollar of the DHCD State funds, amounted to \$64.8 in FY 2010.

**TABLE 11**  
**NEIGHBORHOOD REVITALIZATION INVESTMENT**  
**FY 2010**

<b>Jurisdiction</b>	<b>Direct Investment</b>				<b>Program Outcome</b>		
	<b>DHCD Resources</b>	<b>Leveraged Funds</b>	<b>Total</b>	<b>Per Household</b>	<b>Communities Served</b>	<b>Projects Funded</b>	<b>Businesses Served</b>
Allegany	\$2,699,051	\$24,649,885	\$27,348,937	\$966	13	8	13
Anne Arundel	\$1,413,976	\$8,583,602	\$9,997,578	\$53	8	0	8
Baltimore	\$1,657,416	\$7,927,783	\$9,585,199	\$31	3	1	3
Baltimore City	\$10,215,244	\$28,642,544	\$38,857,788	\$154	27	11	27
Calvert	\$250,944	\$866,187	\$1,117,131	\$37	3	0	3
Caroline	\$1,132,948	\$604,707	\$1,737,655	\$140	5	3	5
Carroll	\$2,319,391	\$7,140,536	\$9,459,927	\$160	11	3	11
Cecil	\$699,416	\$528,068	\$1,227,484	\$34	4	2	4
Charles	\$648,365	\$548,815	\$1,197,180	\$25	5	3	6
Dorchester	\$3,488,558	\$16,961,369	\$20,449,927	\$1,541	17	11	17
Frederick	\$1,103,353	\$4,541,145	\$5,644,498	\$70	9	1	9
Garrett	\$1,765,866	\$14,706,449	\$16,472,315	\$1,441	21	8	14
Harford	\$1,171,449	\$6,827,682	\$7,999,131	\$91	7	1	7
Howard	\$1,216,331	\$5,945,942	\$7,162,273	\$72	8	2	8
Kent	\$139,250	\$470,800	\$610,050	\$76	2	1	2
Montgomery	\$3,580,508	\$27,854,922	\$31,435,430	\$89	10	7	11
Prince George's	\$3,326,466	\$8,915,282	\$12,241,748	\$42	22	7	23
Queen Anne's	\$719,500	\$228,319	\$947,819	\$53	4	2	4
Somerset	\$1,255,306	\$5,294,156	\$6,549,462	\$741	4	2	4
St. Mary's	\$1,138,490	\$10,974,242	\$12,112,732	\$335	5	2	5
Talbot	\$985,958	\$1,163,117	\$2,149,075	\$140	6	2	6
Washington	\$1,735,755	\$15,975,341	\$17,711,096	\$323	8	2	8
Wicomico	\$1,070,837	\$1,406,968	\$2,477,805	\$69	11	3	11
Worcester	\$1,503,447	\$3,449,008	\$4,952,455	\$237	6	4	6
Multi-Jurisdiction	\$4,057,936	\$53,441,035	\$57,498,971	\$0	29	1	17
<b>Maryland</b>	<b>\$49,295,761</b>	<b>\$257,647,904</b>	<b>\$306,943,666</b>	<b>\$146</b>	<b>248</b>	<b>87</b>	<b>232</b>

Source: Maryland Department of Housing and Community Development



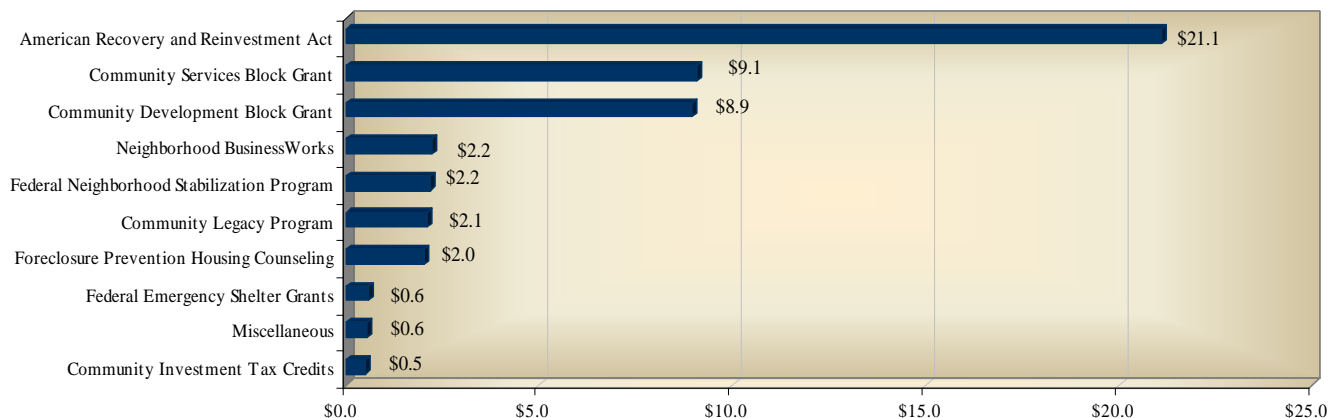
**TABLE 12**  
**ECONOMIC IMPACT OF DHCD NEIGHBORHOOD REVITALIZATION PROGRAMS**  
**FY 2010**

Impact Category	Operating Expenditures		Capital Expenditures		All Expenditures	
	Direct	Total	Direct	Total	Direct	Total
Expenditures (\$millions)	\$203.3	\$292.84	\$103.6	\$188.52	\$306.9	\$481.4
Wages and Salaries (\$millions)	\$31.7	\$57.5	\$43.2	\$69.9	\$74.9	\$127.4
Employment (FTE Jobs)	554	1,190	942	1,652	1,496	2,842
<i>State Taxes (\$thousands)</i>	\$1,460.2	\$2,713.9	\$1,971.9	\$3,036.1	\$3,432.0	\$5,750.0
State Retail Sales Tax	\$406.3	\$771.6	\$540.7	\$894.5	\$947.1	\$1,666.2
State Personal Income Tax	\$1,053.8	\$1,942.2	\$1,315.1	\$2,025.6	\$2,368.9	\$3,967.8
State Real Property Tax Receipts	\$0.0	\$0.0	\$116.0	\$116.0	\$116.0	\$116.0
<i>Local Taxes (\$thousands)</i>	\$706.3	\$1,280.0	\$2,117.5	\$2,605.9	\$2,823.8	\$3,885.9
Local Personal Income Surtax	\$706.3	\$1,280.0	\$849.3	\$1,337.7	\$1,555.6	\$2,617.7
Local Real Property Tax Receipts	\$0.0	\$0.0	\$1,268.2	\$1,268.2	\$1,268.2	\$1,268.2
<i>State and Local Taxes (\$thousands)</i>	\$2,166.4	\$3,993.9	\$4,089.4	\$5,642.0	\$6,255.8	\$9,635.9
Economic Impact per \$1 of State Funds	\$46.6	\$67.1	\$33.8	\$61.6	\$41.3	\$64.8

Source: Maryland Department of Housing and Community Development

Funding of Neighborhood Revitalization programs for FY 2010 totaled \$306.9 million, including \$257.6 million in leveraged funds. As shown in Chart 5 and Table 13, the American Recovery and Reinvestment Act funds totaled \$21.1 million or 42.8 percent of all programs. Direct funding for the *Community Services Block Grant* program totaled \$9.1 million or 18.4 percent of total funds while funding for the *Community Development Block Grant* program amounted to \$8.9 million or 18.1 percent of the DHCD resources. The *Neighborhood BusinessWorks* program funding was \$2.2 million or 4.5 percent of the direct resources while direct funding of *Neighborhood Stabilization* program accounted for 4.4 percent of the DHCD direct resources or \$2.2 million. Funding for the *Community Legacy* program was \$2.1 million or 4.3 percent of the direct spending. The *Foreclosure Prevention Housing Counseling* program was \$2.0 million or 4.1 percent of direct total funding while the *Emergency Shelter Grants* program totaled \$584,602 or 1.2 percent of direct funds. The *Community Investment Tax Credit* funding was \$511,006 or 1.0 percent of the direct funding. Funding for all other programs including *Circuit Rider*, *Neighborhood Housing Services*, and the State General Funds for the Technical Assistance programs totaled \$565,500 or 1.1 percent of the total direct funding. Table 13 shows the distribution of DHCD expenditures in all Maryland jurisdictions that received funding for these programs in FY 2010.

**CHART 5**  
**DISTRIBUTION OF NEIGHBORHOOD REVITALIZATION INVESTMENTS**  
**IN MARYLAND (\$MILLIONS): FY 2010**



*Note: Excludes leveraged funds.*

**TABLE 13**  
**NEIGHBORHOOD REVITALIZATION RESOURCES**  
**FY 2010**

Jurisdiction	DHCD Resources								Leveraged Funds	Total Investment*
	American Recovery and Reinvestment Act (ARRA)	Community Services Block Grant	Community Development Block Grant	Neighborhood Business Works	Neighborhood Stabilization Program	Community Legacy Program	Foreclosure Prevention Housing Counseling	Emergency Shelter Grants		
Allegany	\$1,442,589	\$283,572	\$309,000	\$0	\$340,766	\$250,000	\$0	\$33,124	\$24,649,885	\$27,348,937
Anne Arundel	\$869,440	\$404,036	\$0	\$0	\$0	\$0	\$110,000	\$30,500	\$8,583,602	\$9,997,578
Baltimore	\$901,377	\$556,039	\$0	\$0	\$0	\$200,000	\$0	\$0	\$7,927,783	\$9,585,199
Baltimore City	\$4,709,597	\$3,161,627	\$0	\$950,000	\$0	\$375,000	\$617,020	\$0	\$28,642,544	\$38,857,788
Calvert	\$216,944	\$0	\$0	\$0	\$0	\$0	\$0	\$34,000	\$866,187	\$1,117,131
Caroline	\$152,668	\$0	\$950,000	\$0	\$0	\$0	\$0	\$30,280	\$604,707	\$1,737,655
Carroll	\$901,248	\$257,148	\$1,042,000	\$0	\$0	\$75,000	\$0	\$31,495	\$7,140,536	\$9,459,927
Cecil	\$387,578	\$0	\$0	\$278,438	\$0	\$0	\$0	\$33,400	\$528,068	\$1,227,484
Charles	\$376,845	\$0	\$0	\$0	\$21,000	\$100,000	\$86,000	\$28,520	\$548,815	\$1,197,180
Dorchester	\$618,310	\$288,848	\$2,178,500	\$0	\$0	\$300,000	\$17,000	\$25,400	\$16,961,369	\$20,449,927
Frederick	\$657,437	\$275,916	\$0	\$0	\$0	\$0	\$45,000	\$64,000	\$4,541,145	\$5,644,498
Garrett	\$922,361	\$310,345	\$456,500	\$0	\$0	\$0	\$2,000	\$33,660	\$14,706,449	\$16,472,315
Harford	\$743,761	\$259,838	\$0	\$0	\$0	\$75,000	\$60,000	\$32,850	\$6,827,682	\$7,999,131
Howard	\$736,568	\$259,091	\$0	\$0	\$0	\$175,000	\$32,401	\$13,271	\$5,945,942	\$7,162,273
Kent	\$26,250	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$470,800	\$610,050
Montgomery	\$763,334	\$473,514	\$0	\$391,300	\$1,414,360	\$325,000	\$100,000	\$0	\$27,854,922	\$31,435,430
Prince George's	\$1,157,927	\$563,183	\$0	\$504,250	\$400,000	\$0	\$640,100	\$0	\$8,915,282	\$12,241,748
Queen Anne's	\$126,323	\$0	\$568,600	\$0	\$0	\$0	\$0	\$24,577	\$228,319	\$947,819
Somerset	\$239,998	\$0	\$999,000	\$0	\$0	\$0	\$0	\$16,308	\$5,294,156	\$6,549,462
St. Mary's	\$323,694	\$0	\$783,000	\$0	\$0	\$0	\$0	\$31,796	\$10,974,242	\$12,112,732
Talbot	\$565,310	\$255,971	\$0	\$95,471	\$0	\$0	\$0	\$27,206	\$1,163,117	\$2,149,075
Washington	\$609,126	\$283,151	\$777,124	\$0	\$0	\$0	\$33,179	\$33,175	\$15,975,341	\$17,711,096
Wicomico	\$456,412	\$85,000	\$424,275	\$0	\$0	\$0	\$25,000	\$30,150	\$1,406,968	\$2,477,805
Worcester	\$894,726	\$0	\$452,831	\$0	\$0	\$125,000	\$0	\$30,890	\$3,449,008	\$4,952,455
Multi-Jurisdiction	\$2,291,917	\$1,360,819	\$0	\$0	\$0	\$0	\$261,200	\$0	\$53,441,035	\$57,498,971
<b>Maryland</b>	<b>\$21,091,741</b>	<b>\$9,078,098</b>	<b>\$8,940,830</b>	<b>\$2,219,459</b>	<b>\$2,176,126</b>	<b>\$2,100,000</b>	<b>\$2,028,900</b>	<b>\$584,602</b>	<b>\$257,647,904</b>	<b>\$306,943,666</b>

Note: \*Total investment includes Community Investment Tax Credits of \$511,006 and Miscellaneous funds totaling \$565,000 from the Circuit Rider, Neighborhood Housing Services, and Technical Assistance Programs.

Source: Maryland Department of Housing and Community Development

## **APPENDIX: DESCRIPTION OF PROGRAMS**

### **SINGLE FAMILY HOMEOWNERSHIP PROGRAMS**

#### ***Maryland Mortgage Program***

The CDA's Maryland Mortgage Program provides low-interest mortgage loans to eligible low and moderate-income homebuyers through private lending institutions throughout the state. The program began in 1980 and is targeted primarily to first-time homebuyers. These resources are funded by tax exempt revenue bonds issued by CDA. The mortgage payments are used to pay off bond issuance.

#### ***Down Payment Settlement Expense Program***

The Down Payment and Settlement Expense Loan Program (DSELP) is a program used in conjunction with the CDA Maryland Mortgage Program that offers zero percent deferred loans up to \$2,500 for down payment and settlement costs to low/moderate income homebuyers. These resources are funded by the state.

#### ***Maryland Housing Rehabilitation Program (MHRP)***

The purpose of the Maryland Housing Rehabilitation Program is to preserve and improve single family properties and one-to-four unit rental properties. MHRP is a program designed to bring properties up to applicable building codes and standards. These resources are funded by the state.

#### ***Indoor Plumbing Program***

The purpose of the Indoor Plumbing Program (IPP) is to provide indoor plumbing in residential properties. This program is funded by the State of Maryland.

### **SINGLE FAMILY SPECIAL NEEDS PROGRAMS**

#### ***Housing Programs for Individuals with Disabilities***

The Homeownership for Individuals with Disabilities Program provides low-interest mortgage loans to eligible disabled homebuyers and homebuyers with a disabled son or daughter. Programs include Group Homes, Disabled Borrowers, Special Housing Opportunities Program (SHOP), and Group Homes Financing Program (GHFP). The purpose of the Group Housing Programs is to help individuals, qualified limited partnerships, and nonprofit organizations to construct or acquire, and/or modify existing housing to serve as a group home or assisted living unit for eligible persons and households with special housing needs. The Department uses both state funds from the Group Home Financing Program (GHFP) and the proceeds from the sale of tax exempt mortgage revenue bonds under the Special Housing Opportunities Program (SHOP) to fund these loans. The Department will determine the most appropriate source of funds for the project based on eligibility requirements and underwriting of the project. These resources are funded by the state.

### ***Disabled Borrowers***

The Homeownership for Individuals with Disabilities Program provides low-interest mortgage loans to eligible disabled homebuyers. These resources are funded by the state.

### ***Maryland Affordable Housing Trust***

The Maryland General Assembly created the Maryland Affordable Housing Trust (MAHT) in 1992 to promote affordable housing throughout the State of Maryland. MAHT promotes affordable housing for households earning less than 50% of area or statewide median income by:

- Funding capital costs of rental and ownership housing;
- Providing financial assistance for nonprofit-developer capacity building;
- Funding supportive services for occupants of affordable housing; and
- Funding operating expenses of housing developments.

### ***Lead Paint Abatement Funds***

These funds provide assistance to homeowners and landlords to lessen the risk of lead poisoning and preserve the housing stock by reducing or eliminating lead-based paint hazards. The program is funded with State funds.

### ***Federal HOME Investment Partnership Program (HOME)***

The HOME Investment Partnerships (HOME) Program is a federal program that provides funds to the State and certain local governments to promote affordable housing activities. A portion of the funds, allocated to an Initiatives Fund, are awarded competitively to stimulate new ideas in housing, initiate pilot programs, and support promising projects. A portion of the funds, allocated to an Initiatives Fund are awarded competitively to stimulate new ideas in housing, initiate pilot programs, and support promising projects. The Special Targeted Applicant Rehabilitation Program (STAR) program utilizes HOME loan funds to preserve and improve single-family properties. The program is designed to either bring properties up to applicable building codes or meet minimum housing quality standards.

## **MULTIFAMILY RENTAL HOUSING PRODUCTION AND REHABILITATION**

### ***Multifamily Revenue Bond Loan Program***

The Department issues tax-exempt and taxable mortgage revenue bonds to finance the acquisition, rehabilitation or construction of affordable multifamily rental housing in priority funding areas. Applications are accepted throughout the year and must meet specified threshold criteria. All loans must be credit-enhanced. Applications that meet threshold are assigned to a bond schedule, underwritten, and must be approved by the Housing Finance Review Committee prior to issuance of the bonds.

### ***Rental Housing Loan Programs***

The Rental Housing Program provides loans for the development of affordable multifamily housing in priority funding areas. Funds are awarded competitively every eight months in conjunction with federal Low-Income Housing Tax Credits and HOME funds. Non-profit and for profit developers may apply and both new construction and rehabilitation projects are eligible

for financing. Local government support and contributions are required. The Rental Housing Production Program (RHPP) rehabilitates affordable rental housing of greater than four units. The Elderly Rental Housing Program (ERHP) rehabs or creates such housing for the elderly and is funded under Rental Services using State funds.

***Partnership Rental Housing Program (PRHP)***

The Partnership Rental Housing Program provides loans of up to \$75,000 per unit for rental housing that will be occupied by households with incomes below 50% of the statewide median. There is no limitation on the maximum project amount but Partnership projects tend to include 100 or fewer units. Local governments must contribute the site and any necessary off-site improvements. State funds may be used for the development costs of building acquisition, construction or rehabilitation of buildings on site. Projects financed by the program are intended to provide rental housing to individuals and households with incomes sufficient to pay rents in amounts necessary to maintain financial self-sufficiency of the project.

***Federal Low Income Housing Tax Credit Program (LIHTC)***

Maryland administers the Federal Low Income Housing Tax Credit Program to support the development of affordable multifamily rental housing. Credits are awarded competitively in conjunction with the State's Rental Housing Program funds and federal HOME funds. Tax credits are allocated in accordance with federal IRS rules and Maryland's Qualified Allocation Plan. Credits are subject to recapture for failure to comply with all IRS and departmental requirements. The 9% Tax Credits are awarded on a competitive basis to nonprofit and for-profit sponsors of eligible housing projects. Projects financed with tax-exempt bonds may be eligible for 4% Tax Credits outside of the competitive process. The qualified building must remain in compliance with tax credit income restrictions for a minimum of 15 years.

***Federal HOME Investment Partnership Funds - MF***

The HOME Investment Partnerships (HOME) Program is a federal program that provides funds to the State and certain local governments to promote affordable housing activities. Maryland's program is administered by CDA and a portion of the annual allocation is used in conjunction with existing CDA multifamily and single family programs. A portion of the funds, allocated to an Initiatives Fund, are awarded competitively to stimulate new ideas in housing, initiate pilot programs, and support promising projects.

### ***Shelter and Transitional Housing Facilities Grant Program***

The Shelter and Transitional Housing Facilities Grant Program (STHGP) provides state funded grants to improve or create transitional housing and emergency shelters. The purpose of the program is to reduce homelessness in the State. New construction, acquisition, rehabilitation of housing, and purchase of capital equipment are eligible activities for STHGP grants. Grants must be used for transitional housing and emergency shelters that include supportive services for their residents. Generally, the grants pay up to 50% of the project costs and are processed on a first-come, first-served basis.

### ***Multifamily Energy Efficiency and Housing Affordability Program - MEEHA***

Undertaken through a partnership of the Department of Housing and Community Development (DHCD) and the Maryland Energy Administration (MEA), the MEEHA program provides grant funding for affordable multifamily rental housing developments to complete energy audits, energy efficiency improvements, and/or renewable energy improvements. Funded through the American Recovery and Reinvestment Act, all MEEHA grants must be fully expended by April 2012.

### ***Selected Definitions***

- ***Developers Fees***: Fees paid to the project sponsor for their efforts in putting the deal together. The fees must include all fees paid to processing agents and development consultants. The range of allowable developer's fees is from 10 percent to 15 percent of total development costs as approved by CDA.
- ***Reserves***: Funds put into bank accounts to cover unexpected costs during operation of the project. Reserves shall range from 3 to 6 months of projected operating expenses plus all required debt service payments, and monthly replacement reserve payments.
- ***Soft Costs***: All other costs of the project, including architectural and engineering fees, permits, financing costs, legal fees, etc.

## **MULTIFAMILY RENTAL SERVICES PROGRAMS**

### ***Federal Section 8 Housing Choice Voucher Program (HCVP)***

The Section 8 Housing Choice/Voucher Program is a federal program that provides monthly rent assistance for low income families. The family pays approximately 30 percent of their income toward the rent with the balance of the monthly rent paid by the Section 8 assistance.

### ***Federal Section 8 Performance-based Contract Administration Program – CA/PBCA***

The Contract Administration (CA) unit is under contract with HUD to administer HUD's project-based Section 8 contracts in Maryland. The contract is performance based, that is, the monthly fee paid by HUD to CA varies depending on CA's performance of 13 tasks against specified timeframes and measures. Contract Administration's tasks are outlined in an Annual Contributions Contract (ACC) executed between the Department and HUD. These tasks include review and inspection of records on the project site to ensure compliance with tenant income

restrictions and other HUD record keeping requirements, review and approval of monthly payments to landlords, renewal or termination of expiring contracts, and rent adjustments.

***Section 8 Moderate Rehabilitation Program***

Section 8 Moderate Rehabilitation Program for Single-Room Occupancy Dwellings for Homeless Individuals (Section 8 SRO program). The Section 8 SRO program was created under the Stewart B. McKinney Homeless Assistance Act to provide funding to rehabilitate existing structures to create SRO housing for homeless individuals of very low income.

***Rental Allowance Program***

The Rental Allowance Program (RAP) is a state funded program that provides monthly rental assistance for low income families who are homeless or have an emergency housing need. The monthly payments are fixed amounts, depending upon the size of the family and the location of the rental housing unit in the State. Payments can be received for up to 12 months, and may be extended under special circumstances.

***Rental Assistance Program***

The Rental Assistance Program (RAP) is the major state-funded program for assisting very-low-income families to afford decent, safe, and sanitary housing in the private market.

***Housing Opportunities for Persons with AIDS (HOPWA)*** – This program is a federally funded Rental Assistance Program administered by the Department of Health and Mental Hygiene (DHMH), AIDS Administration. The housing portion of this program is administered by DHCD under a memorandum of understanding between DHMH and the Maryland Department of Housing and Community Development.

***Bridge Subsidy Demonstration Program***

This Rental Assistance Program assists special needs populations, specifically persons with disabilities and extremely low income individuals. Clients may be assigned to the appropriate jurisdictions' waiting lists for the Section 8 program. Partnering service providers refer eligible recipients to statewide public housing authorities to provide interim housing assistance while clients' wait for Section 8 housing vouchers to become available for permanent housing arrangements. This program is funded through the use of DHCD subsidy revenues; hence, creating a "bridge" for eligible participants.



## **NEIGHBORHOOD REVITALIZATION PROGRAMS**

### ***Community Legacy – CL***

This program provides flexible financial assistance in the form of grants and loans to local governments and community-based organizations for a variety of community economic development projects and activities that help Maryland's neighborhoods become vibrant places to live, work and play.

### ***Neighborhood Business Works Program - NBWP***

The Neighborhood Business Works Program provides flexible gap financing in the form of below-market interest rate loans to small businesses and loans and grants to nonprofit organizations locating or expanding in locally designated neighborhood revitalization areas.

### ***Maryland Capital Access Program - MCAP***

The Maryland Capital Access Program, a subset of the Neighborhood Business Works Program, is a small business credit enhancement program that enables private lenders to establish a loan loss reserve fund from fees paid by lenders, borrowers and the State of Maryland. Most Maryland small businesses, including nonprofit organizations, are eligible provided they are located in a Priority Funding Area.

### ***State Community Investment Tax Credit Program - CITC***

The Community Investment Tax Credit Program, formerly called the Neighborhood Partnership Program, supports nonprofit projects by awarding allocations of state tax credits to nonprofit organizations to use as incentives for business contributions. Any business may reduce its Maryland tax liability by contributing cash or goods to support CITC projects. The business earns credits equal to 50 percent of the contribution, in addition to deductions on both State and federal taxes as a result of the charitable contribution.

### ***Federal Emergency Shelter Grants - ESG***

Under the Emergency Shelter Grants (ESG) Program, funds are used to support homeless shelters and homeless services programs in the non-entitlement areas of the State, which includes primarily the rural counties and towns. This program is federal funded.

### ***Federal Community Development Block Grants - CDBG***

Federal Community Development Block Grants enable units of local government to carry out housing, public facility and economic development activities which predominantly benefit low and moderate-income persons. The funds are restricted to the non-entitlement areas of the State, which include the rural counties and towns.

***Neighborhood Housing Services***

Neighborhood Housing Services Program participants partner with residents, financial institutions, community organizations, local governments and the State to stabilize and improve the housing market and other conditions in targeted low- and moderate-income neighborhoods.

***Circuit Rider - Maryland Town Manager Circuit Rider Grant Program (CR)***

This state funded program enhances the management capacity of small town governments by providing grants which allow them to hire public management professionals. A professional administrator “Rides Circuit” serves, on a part-time basis, as an official for several towns in the same area, and provides expertise in public administration, financial management, planning, and community development.

***Home Owners Preserving Equity Program (HOPE)*** – Funded under Foreclosure Prevention Housing Counseling this state grant program provides funding to nonprofit counseling agencies for counseling activities related to foreclosure prevention.

**AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 PROGRAMS*****Section 1602 Tax Credit Exchange Program***

Maryland administers the Section 1602 Tax Credit Exchange Program to provide funds for capital improvements in affordable multifamily rental housing projects awarded federal Low Income Housing Tax Credits. Section 1602 funds are awarded and allocated in accordance with Treasury guidelines and Maryland's Qualified Allocation Plan. Section 1602 funds are subject to recapture for failure to comply with all IRS requirements.

***Tax Credit Assistance Program (TCAP)***

Maryland administers the Tax Credit Assistance Program to provide funds for capital improvements in affordable multifamily rental housing projects awarded federal Low Income Housing Tax Credits by September 30, 2009. TCAP funds are awarded competitively and allocated in accordance with HUD guidelines and Maryland's Qualified Allocation Plan. TCAP funds are subject to recapture for failure to comply with all HUD and IRS requirements.

***Federal Community Services Block Grants - CSBG***

Federal Community Services Block Grants assist low-income people in attaining the skills, knowledge and motivation needed to achieve self-sufficiency. The services and activities provided by the Community Action and Limited Purpose agencies can include: housing, Head Start education for children, nutrition programs, transportation, employment services, and emergency services.

***Weatherization Assistance Program***

This program helps eligible low-income households through the installation of energy conservation materials in their dwelling units. These measures reduce both the consumption of energy and the cost of maintenance for these homes. Priority is given to homeowners who may be elderly, disabled, have families with children, and/or have the highest energy consumption.

Eligible renters may apply and will be given due consideration in accordance with the Weatherization Assistance Program's Rental Property Investment Program. These resources are funded by both Federal and State governments.

***Homelessness Prevention and Rapid Rehousing Program - HPRP***

The Homelessness Prevention and Rapid Re-housing program will provide financial assistance/services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds under this program are intended to target individuals and families who would be homeless but for this assistance. Only local government certified lead agencies for Continuums of Care and nonprofit organizations that have been approved by their local jurisdictions as applicants are eligible for funding under the Homelessness Prevention and Rapid Re-Housing Program.

***Federal Community Development Block Grants-Recovery (CDBG-R)***

The Community Development Block Grant program enables local governments to undertake a wide range of activities to create suitable living environments, provide decent affordable housing and create economic opportunities for persons of low and moderate income.

***Federal Neighborhood Stabilization Program (NSP)***

The Neighborhood Stabilization Program was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008 provides grants to all states and selected local governments on a formula basis. NSP funds authorized under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 provides grants to states, local governments, nonprofits and a consortium of nonprofit entities on a competitive basis. NSP is a component of the Community Development Block Grant (CDBG). The CDBG regulatory structure is the platform used to implement NSP and the HOME program provides a safe harbor for NSP affordability requirements.